

# **Court: Distillers don't have to chip in for \$105M shortfall**

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OLYMPIA, Wash. — Washington's Supreme Court says distillers who ship their own spirits — rather than using a distributor — don't have to help cover a \$105 million shortfall in licensing fees.

The case concerns Initiative 1183, which privatized liquor sales in Washington state.

Because the state was allowing distributors to take over its profitable business, the law required some compensation. It said that if fees assessed on distributors and distillers after the first year of private sales didn't total at least \$150 million, the distributors must make up the difference.

In 2012, those fees totaled \$45 million — leaving a \$105 million shortfall. The distributors — primarily two subsidiaries of major national companies — paid it. But they claimed the distillers should have chipped in about \$3 million.

The justices ruled unanimously Thursday the state acted legally in requiring the money from the distributors alone.